

MARKET NEWS for pig meat



Market analysis

25 November 2024 Week 48

MARKET SITUATION

The market situation is unchanged from previous weeks:

Europe: Trade in legs and other cuts is at largely unchanged prices.

UK: Sales remain stable.

Asian markets: subdued demand.

Slaughtering in Denmark

Weekly slaughtering figures for pigs and sows as reported to the Danish Classification Control Service. The figures exclude culled pigs.

	Week 43	Week 44	Week 45	Week 46	Weeks1-46 2024:23
Carcase weight >110 kg	13,057	13,313	13,678	12,220	+30.0%
Carcase weight <110 kg	284,877	290,464	294,458	284,652	-2.7%
Total	297,934	303,777	308,136	296,872	-1.6%



USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	22/11	15/11	Change	22/11	15/11	Change
2024						
Dec	81.68	79.50	2.18	91.40	93.00	-1.60
2025						
Feb	85.68	82.90	2.78	93.50	93.33	0.17
Apr	89.83	86.90	2.93	94.18	94.00	0.18
May	92.75	90.13	2.62	100.78	100.60	0.18
Jun	99.88	97.13	2.75	105.65	105.48	0.17
Jul	100.18	97.53	2.65	105.48	103.95	1.53
Aug	98.65	96.13	2.52	105.80	104.28	1.52
2025						
Oct	81.73	80.08	1.65	92.05	90.53	1.52
Dec	72.73	71.78	0.95	88.40	86.88	1.52
2026						
Feb	75.53	74.90	0.63	87.55	86.03	1.52
Apr	78.73	78.83	-0.10	88.23	86.70	1.53

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

7.1626



EU

African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, outbreaks of ASF have been reported for the following countries, plus Serbia, Ukraine, Moldova, Bosnia-Herzegovina, Kosovo, Albania, Montenegro, Kosovo and North Macedonia

Countries	Period 14 Nov - 20 Nov		Year to date 1 Jan - 20 Nov		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				21	2	53		57
Latvia		33	7	768	8	730	6	913
Lithuania		6	8	483	3	439	16	302
Poland		64	44	1,736	30	2,744	14	2,152
Italy		3	31	1,162	17	1,047	4	277
Ukraine	1		67	12	37	9	7	2
Czech Republic				27		56		1
Romania	4	2	189	133	740	292	329	465
Hungary		22		347		407		550
Bulgaria		70	1	390	3	322	2	387
Slovakia		1	1	130		546	5	550
Serbia	8	2	290	90	991	213	107	146
Moldova			11	6	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina			33	36	1,508	22		
Croatia		1	6	39	1,124	11		
North Macedonia		2	3	42	15	41	30	9
Kosovo					9	4		
Belgium								
Germany		78	10	714	1	899	3	1,628
Sweden				8		60		
Greece			5	18	6	2		
Albania				2				
Total	13	284	706	6,165	4,513	7,903	537	7,442

GERMANY

Authorities in Hessen launch African Swine Fever information campaign

Last week, the authorities in Hessen launched an information campaign to heighten awareness of African Swine Fever among the general population.

Posters have been put up at parking areas and at petrol stations on motorways that are within the infected zone in southern Hessen.

GERMANY

AMI: Germany finisher producers remain in profit in November

According to AMI (agricultural market information company), German finisher producers remained in profit in November.

AMI's model calculation shows that finisher producers made a profit of EUR 6.90 per pig in November. This is slightly lower than in October when profits were calculated at EUR 7.80 per pig.

Although the price for finisher pigs in November was down on the previous month, this was largely offset by lower feed costs and lower piglet prices.

According to the model calculation, German finisher producers have been in profit since the spring of 2023. This follows an extended period – from 2020-2023 – of losses.

GERMANY

Slightly increasing slaughtering numbers in 2024

The table shows AMI data for the development in German pig slaughtering since 2015.

As can be seen, German slaughtering in the first nine months of 2024 increased by almost 400,000 head, corresponding to 1.3 per cent compared to the same period in the previous year. Increasing slaughter weight means that, measured in tonnes, the increase is 1.9 per cent.

The rise follows on the backdrop of annual slaughtering showing an uninterrupted decline between 2016-2023. In the last two years, German pig slaughtering fell by 9 and 6 per cent respectively. In the previous years, the decline was around 2-3 per cent.

As can be seen from the table below, the increase this year is not due to more foreign pigs being imported to slaughterhouses. On the contrary, imports of finishers to Germany have fallen this year. The increase in slaughtering numbers, therefore, derives from German finisher units.

However, this does not necessarily mean that the additional pigs were born in Germany. Some of the pigs from German finisher units are imported as piglets from Denmark and Holland. According to AMI, the rise in the number of slaughterings in Germany this year are due to a rise in imports of piglets from Denmark and Holland, while the number of 5xD pigs, i.e. pigs born and slaughtered in Germany – have fallen this year.

According to AMI, therefore, approximately 800,000 more piglets were imported into Germany between September 2023 and May 2024. These additional 800,000 pigs are reared in German finisher units and were then slaughtered in the first nine months of 2024.

Slaughtering in Germany 2015-2024

Year	Total slaughtering	German finishers	Imported finishers	Imported %
2015	59,435,349	55,161,102	4,274,247	7.2
2016	59,480,468	54,826,352	4,654,116	7.8
2017	58,408,370	54,471,535	3,936,835	6.7
2018	56,895,229	53,669,851	3,225,378	5.7
2019	55,194,809	51,872,797	3,322,012	6.0
2020	53,376,865	51,088,245	2,288,620	4.3
2021	51,874,641	50,717,566	1,157,075	2.2
2022	47,169,097	45,929,635	1,239,462	2.6
2023	44,130,821	42,647,979	1,482,842	3.4
Jan-Sep 2023	32,805,257	31,670,354	1,134,903	3.5
Jan-Sep 2024	33,243,213	32,201,305	1,041,908	3.1
% change 24:23	1.3	1.7	-8.2	

USA

Rise in futures prices for pigs last week

As can be seen on page 1, American futures prices for pigs rose last week.

This is due to pig slaughtering in the U.S. being slightly lower than expected and that pig meat exports are holding up well.

In their latest monthly overview, the USDA has made a downward adjustment to its outlook for U.S. pig meat production in Q4 this year from 7,365 million lbs to 7.275 million lbs.

A similar adjustment has been made for H1 2025. This is on the backdrop of a slight decrease in slaughtering and a lower carcass weight than previously expected.

U.S. pig meat exports are benefitting from the continuing strong demand for pig meat from the Dominican Republic.

The Dominican Republic was hit by African Swine Fever in July 2021 and continues to battle the disease. 28 out of the country's 31 provinces are currently impacted by the disease. In September this year, a 30 per cent decline in the country's pig population was reported.



USA

Pig producers disappointed that Proposition 12 is not addressed in Farm Bill

National Pork Producers Council (NPPC) has issued a statement that conveys their disappointment that the recent Farm Bill led by the U.S. Senate's Agriculture, Forestry and Nutrition Committee, does not address the challenges presented by California's Proposition 12.

The NPPC, the rest of the U.S. pig meat industry as well as the Biden administration have called on Congress to pass legislation that could change the consequences of the Proposition 12 legislation in California.

Proposition 12 concerns animal welfare legislation that was adopted by referendum in California. It prohibits the sale of pig meat from pigs not born and bred in accordance with the state's animal welfare regulations.



USA

WH Group outlines objectives for Smithfield Foods listing

As appeared in last week's Market News, China's WH Group has decided to go ahead with plans for the upcoming listing of WH Group's subsidiary, Smithfield Foods, to be listed on the New York stock exchange.

The group plans to list 20 per cent of Smithfield's shares and retain 80 per cent.

Smithfield will continue as a subsidiary of WH Group. Proceeds from the offering will be used for infrastructure investments, automation and capacity expansion for processed meat.

WH Group expects Smithfield's listing to give WH Group the opportunity to focus its activities on China and Europe while Smithfield focuses on growth opportunities in its core markets of the U.S. and Mexico.

WH Group also hope that the listing will create a dedicated fundraising-platform for Smithfield that will improve the company's ability to attract equity for future growth initiatives, mergers and acquisitions.



BRAZIL

Increasing pig prices

Brazilian pig prices have risen sharply since June this year. From around EUR 1.34 per kg carcass weight in June, the price has risen to more than EUR 2.01 per kg carcass weight in November. The reason is improved supply and demand conditions in the Brazilian market.

On the supply side, a rise in Brazilian pig meat production in recent years has been replaced by more stable production this year. The USDA has made a downward adjustment to its outlook for Brazilian production this year from a 3 per cent rise to 1 per cent.

On the demand side, high prices for beef in the Brazilian domestic market have raised the demand for pig meat. At the same time, pig meat exports remain high and increased by 5 per cent in the first three quarters of 2024 compared to the same period last year.

BRAZIL

Agreement with China on an increase to exports of by-products and pig meat from Brazil

Reuters reports that Brazil and China are about to sign an agreement that will ensure more by-products and pig meat can be exported from Brazil to China.

According to the information from Brazil's Agriculture Minister, new agreements between the two countries will mean increased exports of fruit, beef and pig meat.

As regards pig meat, this covers an expansion of the list of by-products that can be exported from Brazil to China and an updated list of Brazilian plants approved for export to China.

BRAZIL

JBS to invest USD 2.5 billion in Nigeria

Reuters reports that JBS has signed a declaration of intent with Nigeria's government to invest USD 2.5 billion in the country, including in the construction of six new meat companies.

According to JBS, three of the companies will be for poultry, two for beef and one for pig meat.

JBS also states that according to the agreement, the company will pursue a 5-year investment plan in the country. The authorities are committed to ensuring the necessary economic, sanitary and regulatory requirements are met to ensure the project's viability.

PERU/ CHINA

China approves Peru as free from foot and mouth disease

Pig 333 reports that China has approved Peru as free from foot and mouth disease. Negotiations between the two countries began in 2013.

UKRAINE

Sharp fall in pig meat imports

With Ukraine's trading statistics as the source, the table below shows Ukraine's imports of fresh/frozen pig meat (product code 0203) for January-September compared with the same period in the previous two years.

As can be seen, there were sharp falls in Ukraine's imports of fresh/frozen pig meat from EU countries in both 2023 and 2024.

The fall has been driven by a number of factors but is largely the result of strongly increasing prices from spring 2023 for imported pig meat from the EU.

The rise in prices – combined with a pressure on consumers – has meant that some consumption in the Ukrainian market has shifted from pig meat to less expensive poultry.

0203 Fresh/frozen pig meat				
Tonnes	Jan-Sept 2022	Jan-Sept 2023	Jan-Sept 2024	% change 2024:2023
Canada	393	906	1,103	21.7

Denmark	16,293	3,461	597	-82.8
Holland	9,522	2,359	105	-95.5
Poland	7,753	1,003	103	-89.7
Germany	7	583	103	-82.3
Spain	2,138	634	85	-86.6
Belgium	2,867	627	20	-96.8
Others	1,780	379	0	
Total	40,753	9,952	2,117	-78.7